



STATE OF NEBRASKA

Dave Heineman
Governor

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December 16, 2009

The Honorable E. Benjamin Nelson
United States Senator
720 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Nelson:

I am writing you today because the current Senate health care bill is bad news for Nebraska. America's health care system needs improvement, but this bill is not the answer. You are now the 60th vote, and as Governor of the State that we both represent, I urge you to vote against this bill and against cloture.

You have said that the debate on health care reform needs to be based on facts, not rhetoric. I agree. The facts are compelling and undeniable. This bill increases taxes, cuts Medicare and is an unfunded expansion of Medicaid.

In reviewing the current Senate bill, it appears that while the increased state costs for the initial three years of the Medicaid expansion would be covered, the program quickly becomes a substantial unfunded Medicaid mandate. Late yesterday, the Nebraska Department of Health and Human Services completed the analysis of the bill in full. The report is enclosed.

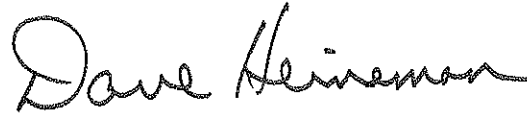
In just six years, FY 2014-FY 2019, the Nebraska Medicaid program will cumulatively grow by a new \$2,493,852,279. This \$2.5 billion will be passed on to citizens through direct or indirect taxes and fees.

Federal reimbursement to the State would fall short by approximately \$45.5 million by FY 2019. Ultimately, this means the cost will be greater than \$450 million over a ten year period. Furthermore, program costs are projected to increase twice as fast as reimbursements.

The State of Nebraska cannot afford an unfunded mandate and uncontrolled spending of this magnitude. Additionally, Nebraskans are very concerned about the bill's increase in payroll taxes. Rural hospitals are very concerned about their ability to survive. Seniors are very concerned about the cuts in Medicare.

The bottom line is the current Senate bill is not in Nebraska's best interest. Therefore, I strongly urge you to oppose the current Senate health care legislation. Please vote "no" on cloture and vote "no" on the bill. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Dave Heineman". The signature is written in dark ink and is positioned above the printed name and title.

Dave Heineman
Governor

Enclosure

cc: U.S. Senator Mike Johanns
Congressman Lee Terry
Congressman Jeff Fortenberry
Congressman Adrian Smith

**REID PATIENT PROTECTION AND AFFORDABLE CARE ACT PROPOSAL FOR HEALTH CARE REFORM
ESTIMATED NEBRASKA MEDICAID PROGRAM AND DSH BUDGET IMPACT
AS OF 12-15-09**

PROPOSAL BUDGET IMPACT

Federal Fiscal Year	Total Budget Impact	Federal Funds	State Funds
FY14	\$313,409,562	\$317,918,274	-\$4,508,712
FY15	\$427,541,669	\$430,823,118	-\$3,281,449
FY16	\$434,956,395	\$438,171,820	-\$3,215,425
FY17	\$431,530,326	\$417,467,632	\$14,062,694
FY18	\$439,260,338	\$420,465,676	\$18,794,662
FY19	\$447,153,989	\$423,472,537	\$23,681,452
TOTAL	\$2,493,852,279	\$2,448,319,057	\$45,533,222

Changes are effective 1-1-14, so FY14 estimates are for 9 months of expenditures (January 1-September 30, 2014).

Increased State Funds expenditures are primarily from adding coverage for uninsured adult parents and childless adults, from currently-insured adults who would drop their private insurance in favor of Medicaid coverage, and from increased administrative expenses which include additional staff and computer changes.

Decreased State Funds expenditures are primarily from the 100% newly-eligible federal match for FY14-16, and the enhanced federal match offsetting state expenditures for current programs.

Since Nebraska Medicaid does not have a benchmark benefit package, estimates are based on Medicaid coverage for newly-eligible individuals.

Since the enrollment impact of basing eligibility on modified gross income is unknown, estimates are based on current income standards.

Enrollment estimates are based on a three-year average of Census estimates regarding the Nebraska population's insurance coverage status.

Health insurance exchanges, optional Medicaid expansions, provider rate changes, and prescription drug cost provisions in the bill were not included in these estimates.

**REID PATIENT PROTECTION AND AFFORDABLE CARE ACT PROPOSAL FOR HEALTH CARE REFORM
ESTIMATED NEBRASKA MEDICAID PROGRAM AND DSH BUDGET IMPACT
AS OF 12-15-09**

PROPOSAL BUDGET IMPACT

Federal Fiscal Year	Childless Adults Total Budget Impact	Woodwork Adults Total Budget Impact	State Disability Total Budget Impact	Adult Parents Total Budget Impact	Medically Needy Total Budget Impact	Insured Switchers Total Budget Impact	Administration Total Budget Impact	CHIP Total Budget Impact	DSH Total Budget Impact	Federal Fiscal Year	All Programs Total Budget Impact	Federal Funds	State Funds
FY14	\$90,764,550	\$6,200,766	\$39,054	\$71,835,066	\$15,144,302	\$112,209,030	\$17,216,794	\$0	\$0	FY14	\$313,409,562	\$317,918,274	-\$4,508,712
FY15	\$123,094,474	\$8,409,456	\$3,076,632	\$97,425,459	\$20,480,582	\$152,177,176	\$22,877,890	\$0	\$0	FY15	\$427,541,669	\$430,823,118	-\$3,281,449
FY16	\$125,191,976	\$9,552,390	\$3,107,403	\$99,084,398	\$20,772,396	\$154,774,130	\$23,473,702	\$0	\$0	FY16	\$434,956,395	\$438,171,820	-\$3,215,425
FY17	\$127,340,982	\$9,698,096	\$3,138,486	\$100,780,928	\$21,068,074	\$157,426,872	\$24,076,878	\$0	-\$11,000,000	FY17	\$431,530,326	\$417,467,632	\$14,062,694
FY18	\$129,513,190	\$9,844,990	\$3,169,881	\$102,496,860	\$21,367,669	\$160,106,900	\$24,760,848	\$0	-\$11,000,000	FY18	\$439,250,338	\$420,465,676	\$18,794,662
FY19	\$131,732,575	\$9,994,700	\$3,201,588	\$104,251,225	\$21,671,182	\$162,849,375	\$25,453,344	\$0	-\$11,000,000	FY19	\$447,153,989	\$423,472,537	\$23,681,452
										TOTAL	\$2,493,852,279	\$2,448,319,057	\$45,533,222

Changes are effective 1-1-14, so FY14 estimates are for 9 months of expenditures (January 1-September 30, 2014).

State Funds savings are primarily due to the 100% match for FY14-16, and the enhanced federal match offsetting state expenditures for State Disability and CHIP.

For example, the same total number of children will be served by CHIP and Medicaid at the same total cost, but expenditures will be shifted to federal funds.

The NGA summary of the Reid bill stated that Medicaid eligibility would be based on modified gross income. Since the enrollment impact of changing income standards is unknown, costs are projected based on current income standards.

The NASMID summary stated that newly-eligible non-pregnant adults (including parents and childless adults) would only be eligible for benchmark benefit packages similar to the flexible benefit package authority provided by the Deficit Reduction Act. Since Nebraska does not have a benchmark benefit package, expenditure estimates are projected based on Medicaid coverage for all newly-eligible individuals.

Enrollment estimates for newly-eligible populations are based on a three-year average of Census estimates regarding the Nebraska citizen population and its insurance coverage status. Non-citizens are excluded, although a small number of legal permanent residents and immigrants may be eligible for services. Adjustments to Census income categories assume even distribution within income ratios.

Enrollment estimates assume an annual population increase of 0.3% for children ages 0-19 and 0.7% for adults ages 20-64. Enrollment includes additional enrollees, defined as the additional population to be covered, and affected enrollees, defined as current enrollees for whom Medicaid expenditures would be affected by the proposal. Estimates assume current average ADC coverage at 50% FPL, and that all insured citizens under 50% FPL are currently covered by Medicaid.

Estimated additional expenditures are based on the 2009 Medcou and EligMon reports, projected at 1% annual increases. Expenditure estimates for Childless Adults, Adult Parents, Insured Switchers, and Children do not include clawback, waiver, nursing facility, or assisted living costs. Expenditure estimates for State Disability and Medically Needy populations are based on SFY09 expenditures. Administrative expenditures are projected at 2% annual increases.

Health insurance exchanges, optional Medicaid expansions, provider rate changes, and prescription drug cost provisions in the bill were not included in these estimates.

CHILDLESS ADULTS

This population is currently not covered; the proposed income limit would be 0-133% FPL.

This population includes some disabled adults between 100-133% with low medical needs/costs.

The increase in the Woodwork Adults and Medically Needy populations were deducted from this population.

Coverage would be required for this population effective 1-1-14, at the newly-eligible enhanced match rate.

DHHS would need to track this population in MMIS to claim the expenditures at a different match rate.

PROPOSED CHILDLESS ADULTS						TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly-Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated Childless Adults at 0-133% FPL	Estimated Per Adult Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.3944	0.6056	1.0000	FY14	23,025	\$5,256	\$90,764,550	\$90,764,550	\$0
0.3944	0.6056	1.0000	FY15	23,186	\$5,309	\$123,094,474	\$123,094,474	\$0
0.3944	0.6056	1.0000	FY16	23,348	\$5,362	\$125,191,976	\$125,191,976	\$0
0.3430	0.6056	0.9486	FY17	23,512	\$5,416	\$127,340,992	\$120,795,665	\$6,545,327
0.3330	0.6056	0.9386	FY18	23,677	\$5,470	\$129,513,190	\$121,561,080	\$7,952,110
0.3230	0.6056	0.9286	FY19	23,843	\$5,525	\$131,732,575	\$122,326,869	\$9,405,706
TOTAL						\$727,637,757	\$703,734,614	\$23,903,143

WOODWORK ADULTS

This population is currently eligible but not enrolled; the current income limit is approximately 50% FPL.

This population may enroll due to increased awareness from the health care reform debate.

This population was estimated at 10% of the uninsured population under 50% FPL.

Coverage would be provided at the regular match rate.

PROPOSED WOODWORK ADULTS			Increase	1.007	1.01	TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly-Eligible Enhancement	Estimated Regular Match Rate	Estimated Regular Match Rate	Federal Fiscal Year	Estimated Woodwork Adults at 0-50% FPL	Estimated Per Adult Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
	0.6056		FY14	1,573	\$5,256	\$6,200,766	\$3,755,184	\$2,445,582
	0.6056		FY15	1,584	\$5,309	\$8,409,456	\$5,092,767	\$3,316,689
	0.6056		FY16	1,595	\$5,362	\$8,552,390	\$5,179,327	\$3,373,063
	0.6056		FY17	1,606	\$5,416	\$8,698,096	\$5,267,567	\$3,430,529
	0.6056		FY18	1,617	\$5,470	\$8,844,990	\$5,356,526	\$3,488,464
	0.6056		FY19	1,628	\$5,525	\$8,994,700	\$5,447,190	\$3,547,510
TOTAL						\$49,700,398	\$30,098,561	\$19,601,837

STATE DISABILITY

This population is currently covered with state funds to 100% FPL; the proposed income limit would be 0-133% FPL.

Coverage would be required for this population effective 1-1-14, at the newly-eligible enhanced match rate.

DHHS would need to track this population in MMIS to claim the expenditures at a different match rate.

State savings would result from the federal match.

CURRENT STATE DISABILITY CURRENT EXPENDITURES

Federal Fiscal Year	State Disability at 100% FPL	Per Disabled Cost	Total Expenditures (State)
FY14	115	\$78,107	\$8,982,305
FY15	116	\$78,888	\$9,151,008
FY16	117	\$79,677	\$9,322,209
FY17	118	\$80,474	\$9,495,932
FY18	119	\$81,279	\$9,672,201
FY19	120	\$82,092	\$9,851,040

PROPOSED STATE DISABILITY			Increase		1.007	1.01	PROPOSED EXPENDITURES	
Newly-Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated Disabled at 0-133% FPL	Estimated Per Disabled Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.3944	0.6056	1.0000	FY14	154	\$78,107	\$9,021,359	\$9,021,359	\$0
0.3944	0.6056	1.0000	FY15	155	\$78,888	\$12,227,640	\$12,227,640	\$0
0.3944	0.6056	1.0000	FY16	156	\$79,677	\$12,429,612	\$12,429,612	\$0
0.3430	0.6056	0.9486	FY17	157	\$80,474	\$12,634,418	\$11,985,009	\$649,409
0.3330	0.6056	0.9386	FY18	158	\$81,279	\$12,842,082	\$12,053,578	\$788,504
0.3230	0.6056	0.9286	FY19	159	\$82,092	\$13,052,628	\$12,120,670	\$931,958

TOTAL PROPOSED BUDGET IMPACT ADDITIONAL FEDERAL AND REDUCED STATE EXPENDITURES

FY14	\$39,054	\$9,021,359	-\$8,982,305
FY15	\$3,076,632	\$12,227,640	-\$9,151,008
FY16	\$3,107,403	\$12,429,612	-\$9,322,209
FY17	\$3,138,486	\$11,985,009	-\$8,846,523
FY18	\$3,169,881	\$12,053,578	-\$8,883,697
FY19	\$3,201,588	\$12,120,670	-\$8,919,082
TOTAL	\$15,733,044	\$69,837,868	-\$54,104,824

ADULT PARENTS

This population is currently covered up to the estimated equivalent of 50% FPL; the proposed income limit would be 133% FPL. Coverage would be required for this population effective 1-1-14, at the newly-eligible enhanced match rate. DHHS would need to track this population in MMIS to claim the expenditures at a different match rate.

PROPOSED ADULT PARENTS						TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly-Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated Adult Parents at 50-133% FPL	Estimated Per Adult Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.3944	0.6056	1.0000	FY14	18,223	\$5,256	\$71,835,066	\$71,835,066	\$0
0.3944	0.6056	1.0000	FY15	18,351	\$5,309	\$97,425,459	\$97,425,459	\$0
0.3944	0.6056	1.0000	FY16	18,479	\$5,362	\$99,084,398	\$99,084,398	\$0
0.3430	0.6056	0.9486	FY17	18,608	\$5,416	\$100,780,928	\$95,600,788	\$5,180,140
0.3330	0.6056	0.9386	FY18	18,738	\$5,470	\$102,496,860	\$96,203,553	\$6,293,307
0.3230	0.6056	0.9286	FY19	18,869	\$5,525	\$104,251,225	\$96,807,688	\$7,443,537
TOTAL						\$575,873,936	\$556,956,952	\$18,916,984

MEDICALLY NEEDY

This population is currently covered up to the estimated equivalent of 43% FPL; the proposed income limit would be 133% FPL. This population is limited to non-Medicare eligibles under age 65, which is less than 7% of the total Medically Needy population. Coverage would be required for this population effective 1-1-14, at the newly-eligible enhanced match rate. DHHS would need to track this population in MMIS to claim the expenditures at a different match rate.

PROPOSED MN Disabled			Increase	1.0070	1.0100	PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated AABD MN & SIMP Disabled at 43-133% FPL	Estimated Per MN Disabled Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.3944	0.6056	1.0000	FY14	203	\$85,390	\$13,000,628	\$13,000,628	\$0
0.3944	0.6056	1.0000	FY15	204	\$86,244	\$17,593,776	\$17,593,776	\$0
0.3944	0.6056	1.0000	FY16	205	\$87,106	\$17,856,730	\$17,856,730	\$0
0.3430	0.6056	0.9486	FY17	206	\$87,977	\$18,123,262	\$17,191,726	\$931,536
0.3330	0.6056	0.9386	FY18	207	\$88,857	\$18,393,399	\$17,264,044	\$1,129,355
0.3230	0.6056	0.9286	FY19	208	\$89,746	\$18,667,168	\$17,334,332	\$1,332,836

PROPOSED MN Long-Term Care			Increase	1.0070	1.0100	PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated MN Long-Term Care at 43-133% FPL	Estimated Per MN LTC Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.3944	0.6056	1.0000	FY14	26	\$109,932	\$2,143,674	\$2,143,674	\$0
0.3944	0.6056	1.0000	FY15	26	\$111,031	\$2,886,806	\$2,886,806	\$0
0.3944	0.6056	1.0000	FY16	26	\$112,141	\$2,915,666	\$2,915,666	\$0
0.3430	0.6056	0.9486	FY17	26	\$113,262	\$2,944,812	\$2,793,449	\$151,363
0.3330	0.6056	0.9386	FY18	26	\$114,395	\$2,974,270	\$2,791,650	\$182,620
0.3230	0.6056	0.9286	FY19	26	\$115,539	\$3,004,014	\$2,789,527	\$214,487

TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES

Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
FY14	\$15,144,302	\$15,144,302	\$0
FY15	\$20,480,582	\$20,480,582	\$0
FY16	\$20,772,396	\$20,772,396	\$0
FY17	\$21,068,074	\$19,985,175	\$1,082,899
FY18	\$21,367,669	\$20,055,694	\$1,311,975
FY19	\$21,671,182	\$20,123,859	\$1,547,323
TOTAL	\$120,504,205	\$116,562,008	\$3,942,197

INSURED SWITCHERS

This population is currently not covered; the proposed income limit would be 0-133% FPL.

This estimate is based on half of the currently insured population opting for Medicaid coverage instead.

Since they are currently insured by private insurers, the estimated costs are for non-disabled adults.

Coverage would be required for this population effective 1-1-14, at the newly-eligible enhanced match rate.

DHHS would need to track this population in MMIS to claim the expenditures at a different match rate.

PROPOSED SWITCHERS			Increase		1.007	1.01	TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES		
Newly-Eligible Enhancement	Estimated Regular Match Rate	Estimated Newly-Eligible Enhanced Match Rate	Federal Fiscal Year	Estimated Switchers at 50-133% FPL	Estimated Per Adult Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	
0.3944	0.6056	1.0000	FY14	28,465	\$5,256	\$112,209,030	\$112,209,030	\$0	
0.3944	0.6056	1.0000	FY15	28,664	\$5,309	\$152,177,176	\$152,177,176	\$0	
0.3944	0.6056	1.0000	FY16	28,865	\$5,362	\$154,774,130	\$154,774,130	\$0	
0.3430	0.6056	0.9486	FY17	29,067	\$5,416	\$157,426,872	\$149,335,131	\$8,091,741	
0.3330	0.6056	0.9386	FY18	29,270	\$5,470	\$160,106,900	\$150,276,336	\$9,830,564	
0.3230	0.6056	0.9286	FY19	29,475	\$5,525	\$162,849,375	\$151,221,930	\$11,627,445	
TOTAL						\$899,543,483	\$869,993,733	\$29,549,750	

ADMINISTRATION

Extensive computer changes would be required. Adding this population is not possible with the current MMIS system, and the NFOCUS budgeting system would have to be completely rewritten.

Total Administration Expenditures													TOTAL PROPOSED BUDGET IMPACT ADDITIONAL EXPENDITURES			
Childless Adults Total Additional Enrollees	Woodwork Adults Total Additional Enrollees	State Disability Total Additional Enrollees	Adult Parents Total Additional Enrollees	Medically Needy Total Additional Enrollees	Insured Switchers Total Additional Enrollees	Federal Fiscal Year	Total Additional Enrollees	Average Total Administration Cost Per Enrollee	Administration Cost for Additional Enrollees	Staffing Cost (included in Admin Cost)	Computer Changes	Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	
23,025	1,573	154	18,223	229	28,465	FY14	71,669	\$311	\$16,716,794	\$9,895,165	\$500,000	FY14	\$17,216,794	\$8,608,397	\$8,608,397	
23,186	1,584	155	18,351	230	28,684	FY15	72,170	\$317	\$22,877,880	\$11,330,496	\$0	FY15	\$22,877,890	\$11,438,945	\$11,438,945	
23,348	1,585	156	18,479	231	28,865	FY16	72,674	\$323	\$23,473,702	\$11,669,546	\$0	FY16	\$23,473,702	\$11,738,851	\$11,738,851	
23,512	1,606	157	18,608	232	29,087	FY17	73,182	\$329	\$24,078,878	\$11,949,802	\$0	FY17	\$24,078,878	\$12,038,439	\$12,038,439	
23,677	1,617	158	18,738	233	29,270	FY18	73,693	\$336	\$24,760,948	\$12,243,457	\$0	FY18	\$24,760,948	\$12,380,424	\$12,380,424	
23,843	1,628	159	18,869	234	29,475	FY19	74,208	\$343	\$25,453,344	\$12,687,479	\$0	FY19	\$25,453,344	\$12,726,672	\$12,726,672	
TOTAL													\$137,859,456	\$68,929,728	\$68,929,728	

Social Services Workers

Increase 1.02		cases per worker 400				
Salary & Benefits & Overhead	New Staff Setup	Federal Fiscal Year	New Enrollees	Carryover Staff	New Staff	Total
\$50,703	\$9,732	FY14	71,669	0	179	\$8,011,506
\$51,717	\$9,887	FY15	72,170	179	1	\$9,315,927
\$52,751	\$7,004	FY16	72,674	180	2	\$9,614,680
\$53,808	\$7,144	FY17	73,182	182	1	\$9,853,642
\$54,882	\$7,287	FY18	73,693	183	1	\$10,105,575
\$55,980	\$7,433	FY19	74,208	184	2	\$10,427,148

Program Specialists - Central Office

Increase 1.02		cases per specialist 10,000				
Salary & Benefits & Overhead	New Staff Setup	Federal Fiscal Year	New Enrollees	Carryover Staff	New Staff	Total
\$62,601	\$6,732	FY14	71,669	0	7	\$375,779
\$63,853	\$6,887	FY15	72,170	7	0	\$446,871
\$65,130	\$7,004	FY16	72,674	7	0	\$455,910
\$66,433	\$7,144	FY17	73,182	7	0	\$485,031
\$67,762	\$7,287	FY18	73,693	7	0	\$474,334
\$69,117	\$7,433	FY19	74,208	7	0	\$483,819

Social Services Supervisors

Increase 1.02		workers per supervisor 10				
Salary & Benefits & Overhead	New Staff Setup	Federal Fiscal Year	New Case Workers	Carryover Staff	New Staff	Total
\$85,448	\$6,732	FY14	179	0	18	\$1,004,724
\$86,757	\$6,887	FY15	180	18	0	\$1,201,826
\$88,082	\$7,004	FY16	182	18	0	\$1,225,856
\$89,454	\$7,144	FY17	183	18	0	\$1,250,172
\$90,843	\$7,287	FY18	184	18	0	\$1,275,174
\$92,260	\$7,433	FY19	186	18	1	\$1,380,379

Program Analyst for Additional Reporting - Central Office

Increase 1.02						
Salary & Benefits & Overhead	New Staff Setup	Federal Fiscal Year		Carryover Staff	New Staff	Total
\$61,084	\$6,732	FY14		0	1	\$82,553
\$62,316	\$6,887	FY15		1	0	\$82,316
\$63,562	\$7,004	FY16		1	0	\$83,562
\$64,833	\$7,144	FY17		1	0	\$84,833
\$66,130	\$7,287	FY18		1	0	\$86,130
\$67,463	\$7,433	FY19		1	0	\$87,453

Social Services Unit Managers

Increase 1.02		supervisors per manager 5				
Salary & Benefits & Overhead	New Staff Setup	Federal Fiscal Year	New Supervisors	Carryover Staff	New Staff	Total
\$74,425	\$6,732	FY14	18	0	4	\$250,203
\$75,914	\$6,887	FY15	18	4	0	\$303,696
\$77,432	\$7,004	FY16	18	4	0	\$308,726
\$78,981	\$7,144	FY17	18	4	0	\$315,924
\$80,581	\$7,287	FY18	18	4	0	\$322,244
\$82,172	\$7,433	FY19	19	4	0	\$328,688

CHILDREN'S HEALTH INSURANCE PROGRAM

This population is currently covered up to 200% FPL; the proposed income limit would be 133% FPL for Medicaid children over age 1, and 200% for CHIP. Approximately 8,500 CHIP eligibles would move to Medicaid effective 1-1-14. Total combined enrollment and expenditures would remain the same. State savings would result from the enhanced CHIP federal match.

CURRENT CHIP			Increase	1,0030	1,0100	CURRENT EXPENDITURES		
	Estimated CHIP Match Rate		Federal Fiscal Year	Estimated CHIP Children to 200% FPL	Estimated Per Child Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
	0.7239		FY14	31,697	\$2,045	\$48,461,899	\$35,081,569	\$13,380,330
	0.7239		FY15	31,692	\$2,065	\$65,443,980	\$47,374,897	\$18,069,083
	0.7239		FY16	31,787	\$2,086	\$66,307,682	\$48,000,131	\$18,307,551
	0.7239		FY17	31,882	\$2,107	\$67,175,374	\$48,626,253	\$18,547,121
	0.7239		FY18	31,978	\$2,128	\$68,049,184	\$49,260,804	\$18,788,380
	0.7239		FY19	32,074	\$2,149	\$68,927,026	\$49,896,274	\$19,030,752

CURRENT MEDICAID			Increase	1.0030	1.0100	CURRENT EXPENDITURES				CURRENT TOTAL EXPENDITURES			
	Estimated Regular Match Rate		Federal Fiscal Year	Estimated Medicaid Children to 100/133/ 160% FPL	Estimated Per Child Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	
	0.6056		FY14	112,304	\$3,413	\$287,470,164	\$174,091,931	\$113,378,233	FY14	\$335,932,063	\$209,173,500	\$126,758,563	
	0.6056		FY15	112,641	\$3,447	\$388,273,527	\$235,138,448	\$153,135,079	FY15	\$453,717,507	\$282,513,345	\$171,204,162	
	0.6056		FY16	112,979	\$3,481	\$393,279,699	\$238,170,307	\$155,109,592	FY16	\$459,587,581	\$286,170,438	\$173,417,143	
	0.6056		FY17	113,318	\$3,516	\$398,426,088	\$241,286,839	\$157,139,249	FY17	\$465,601,462	\$289,916,092	\$175,685,370	
	0.6056		FY18	113,658	\$3,551	\$403,599,558	\$244,419,692	\$159,179,666	FY18	\$471,648,742	\$293,680,696	\$177,968,046	
	0.6056		FY19	113,999	\$3,587	\$408,914,413	\$247,638,569	\$161,275,844	FY19	\$477,841,439	\$297,534,843	\$180,306,596	

PROPOSED CHIP			Increase	1,0030	1,0100	PROPOSED EXPENDITURES		
CHIP Enhancement	Estimated CHIP Match Rate	Estimated CHIP Enhanced Match Rate, Capped at 100%	Federal Fiscal Year	Estimated CHIP Children at 133-200% FPL	Estimated Per Child Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0.2300	0.7239	0.9539	FY14	23,050	\$2,045	\$35,352,938	\$33,723,168	\$1,629,770
0.2300	0.7239	0.9539	FY15	23,119	\$2,065	\$47,740,735	\$45,539,887	\$2,200,848
0.2300	0.7239	0.9539	FY16	23,188	\$2,086	\$48,370,169	\$46,140,303	\$2,229,866
0.2300	0.7239	0.9539	FY17	23,258	\$2,107	\$49,004,606	\$46,745,494	\$2,259,112
0.2300	0.7239	0.9539	FY18	23,328	\$2,128	\$49,641,984	\$47,353,489	\$2,288,495
0.2300	0.7239	0.9539	FY19	23,398	\$2,149	\$50,282,302	\$47,964,288	\$2,318,014

PROPOSED CHIP moved to Medicaid			Increase	1,0030	1,0100	PROPOSED EXPENDITURES		
Medicaid Kids Enhancement	Estimated Regular Match Rate	Estimated Medicaid Kids Match Rate	Federal Fiscal Year	Estimated CHIP Children over 6 at 100-133% FPL	Estimated Per Child Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
0	0.6056	0.6056	FY14	8,547	\$2,045	\$13,108,961	\$7,938,787	\$5,170,174
0	0.6056	0.6056	FY15	8,573	\$2,065	\$17,708,245	\$10,721,085	\$6,987,160
0	0.6056	0.6056	FY16	8,599	\$2,086	\$17,937,514	\$10,862,958	\$7,074,556
0	0.6056	0.6056	FY17	8,624	\$2,107	\$18,170,768	\$11,004,217	\$7,166,551
0	0.6056	0.6056	FY18	8,650	\$2,128	\$18,407,200	\$11,147,400	\$7,259,800
0	0.6056	0.6056	FY19	8,676	\$2,149	\$18,644,724	\$11,291,245	\$7,353,479

PROPOSED MEDICAID			Increase	1.0030	1.0100	PROPOSED EXPENDITURES				PROPOSED TOTAL EXPENDITURES			
Medicaid Kids Enhancement	Estimated Regular Match Rate	Estimated Medicaid Kids Match Rate	Federal Fiscal Year	Estimated Medicaid Children at 0-133% FPL	Estimated Per Child Cost	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures	
0	0.6056	0.6056	FY14	112,304	\$3,413	\$287,470,164	\$174,091,931	\$113,378,233	FY14	\$335,932,063	\$215,753,886	\$120,178,177	
0	0.6056	0.6056	FY15	112,641	\$3,447	\$388,273,527	\$235,138,448	\$153,135,079	FY15	\$453,717,507	\$291,369,420	\$162,348,087	
0	0.6056	0.6056	FY16	112,979	\$3,481	\$393,279,899	\$238,170,307	\$155,109,592	FY16	\$459,587,581	\$296,173,568	\$164,414,013	
0	0.6056	0.6056	FY17	113,318	\$3,516	\$398,426,088	\$241,286,839	\$157,139,249	FY17	\$465,601,462	\$299,036,550	\$166,564,912	
0	0.6056	0.6056	FY18	113,658	\$3,551	\$403,599,558	\$244,419,892	\$159,179,666	FY18	\$471,648,742	\$302,920,781	\$168,727,961	
0	0.6056	0.6056	FY19	113,999	\$3,587	\$408,914,413	\$247,638,569	\$161,275,844	FY19	\$477,841,439	\$306,894,102	\$170,947,337	

TOTAL PROPOSED BUDGET IMPACT ADDITIONAL FEDERAL AND REDUCED STATE EXPENDITURES

Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
FY14	\$0	\$6,580,386	-\$6,580,386
FY15	\$0	\$8,886,075	-\$8,886,075
FY16	\$0	\$9,003,130	-\$9,003,130
FY17	\$0	\$9,121,458	-\$9,121,458
FY18	\$0	\$9,240,085	-\$9,240,085
FY19	\$0	\$9,359,259	-\$9,359,259
TOTAL	\$0	\$52,190,393	-\$52,190,393

DISPROPORTIONATE SHARE HOSPITALS (DSH)

Nebraska is a low DSH state. DSH allotments would be reduced by 25% after the uninsured rate is reduced by 45%. In subsequent years, allotments would be further reduced if the uninsured rate goes even lower. This estimate assumes that the Nebraska uninsured rate would reach the threshold by the end of FFY15, and stabilize in subsequent years. FFY15 Census data would likely be collected and analyzed during FFY16, and applied to DSH allotments for FFY17.

CURRENT DSH

CURRENT EXPENDITURES

	Estimated Regular Match Rate		Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
	0.6056		FY14	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY15	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY16	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY17	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY18	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY19	\$44,000,000	\$26,646,400	\$17,353,600

PROPOSED DSH

PROPOSED EXPENDITURES

	Estimated Regular Match Rate		Federal Fiscal Year	Total Expenditures	Federal Funds Expenditures	State Funds Expenditures
	0.6056		FY14	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY15	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY16	\$44,000,000	\$26,646,400	\$17,353,600
	0.6056		FY17	\$33,000,000	\$19,984,800	\$13,015,200
	0.6056		FY18	\$33,000,000	\$19,984,800	\$13,015,200
	0.6056		FY19	\$33,000,000	\$19,984,800	\$13,015,200

TOTAL PROPOSED BUDGET IMPACT REDUCED EXPENDITURES

FY14	\$0	\$0	\$0
FY15	\$0	\$0	\$0
FY16	\$0	\$0	\$0
FY17	-\$11,000,000	-\$6,661,600	-\$4,338,400
FY18	-\$11,000,000	-\$6,661,600	-\$4,338,400
FY19	-\$11,000,000	-\$6,661,600	-\$4,338,400
TOTAL	-\$33,000,000	-\$19,984,800	-\$13,015,200